

Summary of Substantive Changes

Implements Acts 23 and 47 of the 2nd Extraordinary Session of 2003 and Act 385 of 2005. This legislation allows active members of ATRS who have previously elected to eliminate member contributions to make an irrevocable election to make future contributions – subject to a determination by the Board of ATRS that the member's contributions may be treated as employer contributions under the Internal Revenue Code. Also, pursuant to these Acts, the proposed rules effective July 1, 2005, provide that any active member whose status changes from nonteacher status to teacher status under contract for 181 days or more will become contributory.

Summary of Substantive Changes

Implements provisions of Act 385 of 2005, which made technical corrections to certain ATRS statutes including those in the areas of ATRS Board Duties and Responsibilities; Refunds; Purchase of Additional Contributions; Purchase of Out-of State Service; Purchase of Private School Service; Disability Retirement and Early Retirement; makes clarifying changes.

Summary

Implements the provisions of Section 9 of Act 385 of 2005, clarifying the treatment of unclaimed benefits and adds a policy covering lost payees under A.C.A. § 24-7-734.

Summary

Implements Act 1022 of 2005, to include the Arkansas District Judge Retirement System in the rules and regulations on Reciprocal Systems and to clarify and update existing rules and regulations.

Summary of Substantive Changes

Implements provisions of Act 146 of 2005, clarifying the 110% rule used in computing final average salary for retirement purposes, and provisions of Acts 1288 and 971 of 2005, providing that compensation for accumulated unused sick leave under those statutes shall not be used by ATRS in calculating final average salary, implements changes made by Act 146 better describing educational nonprofit corporations eligible for inclusion as an ATRS employer; and rewrites policy language for clarity and conformance.

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Implements Act 1968 of 2005 which renewed and clarified ATRS' existing legislative authority to set employer contribution rates. Rate for fiscal year 2006 is limited to 14%; increase for fiscal year 2007 is limited to 1% above this. Board's authority to set employer contribution rates is limited to fiscal years 2006 and 2007. Also makes clarifying changes.

Summary

Implements Act 1026 of 2005, which added new language to allow ATRS to offset in certain circumstances to assist in collecting accounts receivable in situations where benefits, annuities or refunds are payable. Such offsets were previously statutorily allowed for those overpayments or underpayments due to “errors in records,” a phrase which was unclear. Contains notice and appeal provisions and allows waiver if overpayment was not the result of the retiree’s or the beneficiary’s nondisclosure, fraud, misrepresentation, or other fault and if recovery of the overpayment could be a manifest injustice.

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Implements Act 911 of 2005, which made changes to the statutes allowing a waiver of the earnings limitations on the amount that may be earned without affecting retirement benefits if an ATRS retiree returns to work under certain circumstances. The changes (1) limit waivers to 3 years; (2) limit waivers to retirants hired by public school districts due to a shortage of certified teachers in a critical academic area; (3) require employer and employee contributions to recommence at the time of such employment (employee contributions will be required only if the retiree was contributory); and (4) removes automatic approval of waivers.

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Implements Act 188 of 2005, to clarify that the references to “plan contributions” were intended to refer to “plan deposits”; to clarify the disposition of residue in T-DROP accounts to provide that any amounts received from the T-DROP account will be considered to be annuity payments received by the member or designated beneficiary and will reduce or eliminate the disposition or residue that would have been paid except for these provisions. The provision that interest on T-DROP accounts will be set by the ATRS Board from time-to-time was previously only in policy, not statute.

Summary

Implements Act 71 of 2005, to conform statutory references to the Internal Revenue Code; restates requirement that ATRS must be operated consistent with § 401(a) of the Code to permit the System to protect its status as a “qualified trust.”